

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
CLAY COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2008 Through June 30, 2009**



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Independent Accountant's Report

Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Phillip R. Mobley
Clay County Property Valuation Administrator
Manchester, Kentucky 40962

We have performed the procedures enumerated below, which were agreed to by the Clay County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2008 through June 30, 2009. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Clay County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2009) for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA has a receipts ledger, disbursements ledger, and reconciles bank records to books each month for the main bank account. The year-end bank reconciliation for the main account as of June 30, 2009 was materially accurate. However, the miscellaneous bank account is not reconciled monthly. We recommend that the miscellaneous bank account be reconciled monthly.

PVA's Response: No response.

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

All city payments were confirmed and were properly recorded and deposited by the PVA.



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3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The budgeted statutory contribution made by the Fiscal Court agreed to the legally required amount calculated by the Department of Revenue and was traced to the PVA's bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

All disbursements tested agreed to the cancelled checks, paid invoices, or other supporting documentation and appear to be for official business.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

The PVA purchased a computer software program (ARM) and office furniture/equipment which was added to the inventory list. All disbursements were properly documented.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

Auditor reviewed disbursements and noted a software maintenance agreement which appears to be properly authorized. The PVA made a payment for an annual software maintenance agreement. A signed agreement between the PVA and the other party noting start date, end date, or details of service was not available for review. Although the auditor was unable to review the software maintenance agreement, it appears to be for official business. We recommend the PVA have a signed agreement on site.

PVA's Response: No response.

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7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

Auditor compared final budget to actual expenditures and noted no overspent account series.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if a collateral agreement exists.

Finding -

Collateral is not necessary for the PVA's funds since the highest daily balance did not exceed the FDIC limitation.

9. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding -

Timesheets are completed, maintained, and support hours worked. However, not all timesheets show evidence that they have been reviewed by the PVA. Auditor noted that March 2009 - June 2009 timesheets had not been signed by the PVA. We recommend PVA review and approved all time sheets as evidence by his signature.

PVA's Response: No response.

10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

This procedure is not necessary since there was not a change in PVA.

11. Procedure -

For newly hired employees, during July 1, 2008 through June 30, 2009, of the PVA office determine if the Ethics Certification Form has been completed and is on file.

Finding -

There were no newly hired employees between July 1, 2008 through June 30, 2009.

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12. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding -

The PVA's office was closed on one day in addition to the State's approved holidays. The PVA followed the proper procedures and completed the required documentation to notify the Department of Revenue of the closing.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

May 24, 2010